

Senate Bill No. 1181

CHAPTER 407

An act to amend Section 51142 of the Government Code, and to amend Sections 75.11, 170, 205.5, 830, 830.1, 833, 1606, 5814, 11273, 11338, and 11339 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 29, 2001. Filed
with Secretary of State October 1, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1181, Committee on Revenue and Taxation. Taxation.

(1) Existing law requires the county assessor to reassess any rezoned parcel in a timberland production zone on the basis of the value of the property in its rezoned use. Existing law allows the owner of the parcel to appeal this new valuation.

This bill would require the application for an appeal to be filed no later than 60 days after the date of the mailing of the notice certifying the new valuation.

Existing law imposes a tax recoupment fee upon the owner of a parcel in a timberland reduction upon the immediate rezoning of that parcel.

This bill would provide that the tax recoupment fee is due 60 days after mailing of notice of the amount due, instead of 60 days after receipt of the notice.

(2) Existing property tax law provides for supplemental tax assessments if a change in ownership occurs, or new construction is completed, between property tax lien dates. Existing property tax law specifies different limitation periods for making of supplemental assessments, depending upon the circumstances of the assessment, including, among others, 4-year and 6-year limitation periods.

This bill would require these limitation periods to be measured from the year in which the event giving rise to the supplemental assessment occurred, rather than from the year in which any of certain filings was made with respect to that event.

(3) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval, where the value of the damage or destruction exceeds \$5,000. Existing law requires the

application to be fixed within the time specified in the ordinance, or if no time is specified, within 60 days of the misfortune or calamity.

This bill would allow counties to grant assessors additional powers to initiate reassessment, increase the required value of the damage or destruction to a minimum of \$10,000, extend the 60-day period in which an applicant may file for reassessment to one year, and make related changes. By requiring local tax officials to provide a higher level of service with respect to reassessment appeals, this bill would impose a state-mandated local program.

(4) The California Constitution requires the State Board of Equalization to annually value and assess specified unitary property that is located in 2 or more counties, as well as property owned and used by regulated railways, telegraph and telephone companies, car companies operating on railways in this state, and companies selling or transmitting electricity in this state.

Existing property tax law requires a state assessee, upon the board's request and in compliance with the applicable of certain deadlines, to file a property tax statement relating to its state-assessed property. Existing law imposes penalties upon a taxpayer's failure to timely file a required property statement, including a penalty of 10% of unitary value with respect to that part of the property statement relating to the development of the unitary value of operating property, and a penalty of 10% of the allocated value of property with respect to that part of the property statement that lists or describes specific operating property.

This bill would, for purposes of imposing these penalties, clarify that "specific operating property" does not include "property relating to the development of the unit value of operating property."

Existing property law allows a state assessee, upon a showing of good cause, to receive a 45-day extension for filing the portion of a property statement relative to "property relating to the development of the unit value of operating property," and a 30-day extension of time for filing on the portion of a property tax statement relating to "specific operating property."

This bill would clarify that the category "specific operating property" does not include "property relating to the development of the unit value of operating property."

This bill would make legislative findings and declarations that the clarifications made by these provisions are declaratory of existing law.

(5) Existing property tax law provides, pursuant to the authorization of the California Constitution, for the exemption from property taxation of the home of a disabled veteran, or a veteran's spouse in the case in which the veteran has, as a result of a service-connected disease or injury, died while on active duty in military service. Existing property tax law



specifies an exemption amount of \$40,000 and increases that amount to \$100,000 in the case in which the disabled veteran is completely disabled. Existing law increases these amounts to \$60,000 and \$150,000, respectively, if the exemption claimant's income does not exceed \$40,000 as adjusted by a specified inflation factor.

This bill would revise and recast this inflation factor to be derived from price index changes over a different annual period.

(6) Existing law provides that all assessment information required by the State Board of Equalization from an owner of state-assessed property, or furnished in a property statement to that board, is required to be held secret by the board.

This bill would require county assessors and auditors that receive the assessment information from the board to hold that information secret.

(7) Existing property tax law provides for the exchange of information between the parties to an assessment appeals hearing, and sets forth procedures for that exchange.

This bill would revise these procedures by, among other things, requiring the initiating party to submit the requisite data to the other party and the clerk at least 30 days before the commencement of the hearing date, and requiring the responding party to provide the requisite information at least 15 days prior to the hearing.

(8) Existing law establishes procedures for challenging the assessment of private railroad cars, including a procedure that requires an owner or lessee, prior to filing a petition for reassessment, to file a declaration of intent to file that petition.

This bill would delete the requirement that an owner or lessee file a declaration of intent to petition for reassessment prior to filing that petition. This bill would also allow a petition for reassessment, with respect to an assessment made outside the regular assessment period, to be filed on or before the 50th day, rather than the 30th day, following the date of the notice of assessment.

(9) Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

(10) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund



to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 51142 of the Government Code is amended to read:

51142. (a) Upon immediate rezoning of a parcel in a timberland production zone, a tax recoupment fee shall be imposed on the owner of the land. Within 90 days following rezoning of land in the timberland production zone the county assessor shall reassess the rezoned parcels on the basis of the value of the property in its rezoned use. The assessor shall certify this value to the owner of the land and to the county auditor. The owner may appeal this new valuation in the same manner as an assessment appeal. The application for an appeal shall be filed with the clerk no later than 60 days after the date of the mailing of the notice certifying the new valuation. Except when under an appeal, after the certification the auditor shall, in cases of immediate rezoning, within 10 days compute the tax recoupment fee and certify the amount to the tax collector. The tax collector shall notify the owner in writing of the amount and due date of the fee. Fees shall be due 60 days after mailing of notification.

(b) The tax recoupment fee shall apply only in cases of immediate rezoning and shall be a multiple of the difference between the amount of the tax last levied against the property when zoned as timberland production and the amount equal to the assessed valuation of the rezoned property times the tax rate of the current levy for the tax rate area, that multiple to be chosen from the following table according to subdivision (c):

Year	Multiple
1	1.06000
2	2.18360
3	3.37462
4	4.63709
5	5.97332
6	7.39384
7	8.89747

8	10.49132
9	12.18080
10	13.97164

(c) The multiple shall correspond to the number of years or fraction thereof, but in no event greater than 10, for which the land was zoned as timberland production or was subject to a contract under Chapter 7 (commencing with Section 51200).

(d) Tax recoupment fees imposed pursuant to this section shall be due and payable to the county in which the rezoning has taken place.

(e) In cases of immediate rezoning, an owner may submit a written application, requesting the waiver of tax recoupment fees and explaining the reasons therefor, to either the State Board of Equalization or, where the county board of supervisors has adopted an authorizing resolution, to the county board of supervisors. The board receiving an application pursuant to this subdivision may, if it determines that it is in the public interest, waive all or any portion of the fees.

SEC. 2. Section 75.11 of the Revenue and Taxation Code is amended to read:

75.11. (a) If the change in ownership occurs or the new construction is completed on or after January 1 but on or before May 31, then there shall be two supplemental assessments placed on the supplemental roll. The first supplemental assessment shall be the difference between the new base year value and the taxable value on the current roll. In the case of a change in ownership of the full interest in the real property, the second supplemental assessment shall be the difference between the new base year value and the taxable value to be enrolled on the roll being prepared. If the change in ownership is of only a partial interest in the real property, the second supplemental assessment shall be the difference between the sum of the new base year value of the portion transferred plus the taxable value on the roll being prepared of the remainder of the property and the taxable value on the roll being prepared of the whole property. For new construction, the second supplemental assessment shall be the value change due to the new construction.

(b) If the change in ownership occurs or the new construction is completed on or after June 1 but before the succeeding January 1, then the supplemental assessment placed on the supplemental roll shall be the difference between the new base year value and the taxable value on the current roll.

(c) If there are multiple changes in ownership or multiple completions of new construction, or both, with respect to the same real property during the same assessment year, then there shall be a net supplemental assessment placed on the supplemental roll, in addition to



the assessment pursuant to subdivision (a) or (b). The net supplemental assessment shall be the most recent new base year value less the sum of (1) the previous entry or entries placed on the supplemental roll computed pursuant to subdivision (a) or (b), and (2) the corresponding taxable value on the current roll or the taxable value to be entered on the roll being prepared, or both, depending on the date or dates the change of ownership occurs or new construction is completed as specified in subdivisions (a) and (b).

(d) No supplemental assessment authorized by this section shall be valid, or have any force or effect, unless it is placed on the supplemental roll on or before the applicable date specified in paragraph (1), (2), or (3), as follows:

(1) The fourth July 1 following the July 1 of the assessment year in which the event giving rise to the supplemental assessment occurred.

(2) The eighth July 1 following the July 1 of the assessment year in which the event giving rise to the supplemental assessment occurred, if the penalty provided for in Section 504 is added to the assessment.

(3) The eighth July 1 following the July 1 of the assessment year in which the event giving rise to the supplemental assessment occurred, if the change in ownership or change in control was unrecorded and a change in ownership statement required by Section 480 or preliminary change in ownership report, as required by Section 480.3, was not timely filed.

(4) Notwithstanding paragraphs (1), (2), and (3), there shall be no limitations period on making a supplemental assessment, if the penalty provided for in Section 503 is added to the assessment.

For the purposes of this subdivision, “assessment year” means the period beginning annually as of 12:01 a.m. on the first day of January and ending immediately prior to the succeeding first day of January.

(e) If, before the expiration of the applicable period specified in subdivision (d) for making a supplemental assessment, the taxpayer and the assessor agree in writing to extend the period for making a supplemental assessment, correction, or claim for refund, a supplemental assessment may be made at any time prior to the expiration of that extended period. The extended period may be further extended by successive written agreements entered into prior to the expiration of the most recent extension.

SEC. 3. Section 170 of the Revenue and Taxation Code is amended to read:

170. (a) Notwithstanding any provision of law to the contrary, the board of supervisors may, by ordinance, provide that every assessee of any taxable property, or any person liable for the taxes thereon, whose property was damaged or destroyed without his or her fault, may apply

for reassessment of that property as provided herein. The ordinance may also specify that the assessor may initiate the reassessment where the assessor determines that within the preceding 12 months taxable property located in the county was damaged or destroyed.

To be eligible for reassessment the damage or destruction to the property shall have been caused by any of the following:

(1) A major misfortune or calamity, in an area or region subsequently proclaimed by the Governor to be in a state of disaster, if that property was damaged or destroyed by the major misfortune or calamity that caused the Governor to proclaim the area or region to be in a state of disaster. As used in this paragraph, “damage” includes a diminution in the value of property as a result of restricted access to the property where that restricted access was caused by the major misfortune or calamity.

(2) A misfortune or calamity.

(3) A misfortune or calamity that, with respect to a possessory interest in land owned by the state or federal government, has caused the permit or other right to enter upon the land to be suspended or restricted. As used in this paragraph, “misfortune or calamity” includes a drought condition such as existed in this state in 1976 and 1977.

The application for reassessment may be filed within the time specified in the ordinance or within 12 months of the misfortune or calamity, whichever is later, by delivering to the assessor a written application requesting reassessment showing the condition and value, if any, of the property immediately after the damage or destruction, and the dollar amount of the damage. The application shall be executed under penalty of perjury, or if executed outside the State of California, verified by affidavit.

An ordinance may be made applicable to a major misfortune or calamity specified in paragraph (1) or to any misfortune or calamity specified in paragraph (2), or to both, as the board of supervisors determines. An ordinance may not be made applicable to a misfortune or calamity specified in paragraph (3), unless an ordinance making paragraph (2) applicable is operative in the county. The ordinance may specify a period of time within which the ordinance shall be effective, and, if no period of time is specified, it shall remain in effect until repealed.

(b) Upon receiving a proper application, the assessor shall appraise the property and determine separately the full cash value of land, improvements and personalty immediately before and after the damage or destruction. If the sum of the full cash values of the land, improvements and personalty before the damage or destruction exceeds the sum of the values after the damage by ten thousand dollars (\$10,000) or more, the assessor shall also separately determine the percentage



reductions in value of land, improvements and personalty due to the damage or destruction. The assessor shall reduce the values appearing on the assessment roll by the percentages of damage or destruction computed pursuant to this subdivision, and the taxes due on the property shall be adjusted as provided in subdivision (e). However, the amount of the reduction shall not exceed the actual loss.

(c) The assessor shall notify the applicant in writing of the amount of the proposed reassessment. The notice shall state that the applicant may appeal the proposed reassessment to the local board of equalization within six months of the date of mailing the notice. If an appeal is requested within the six-month period, the board shall hear and decide the matter as if the proposed reassessment had been entered on the roll as an assessment made outside the regular assessment period. The decision of the board regarding the damaged value of the property shall be final, provided that a decision of the local board of equalization regarding any reassessment made pursuant to this section shall create no presumption as regards the value of the affected property subsequent to the date of the damage.

Those reassessed values resulting from reductions in full cash value of amounts, as determined above, shall be forwarded to the auditor by the assessor or the clerk of the local equalization board, as the case may be. The auditor shall enter the reassessed values on the roll. After being entered on the roll, those reassessed values shall not be subject to review, except by a court of competent jurisdiction.

(d) (1) If no application is made and the assessor determines that within the preceding 12 months a property has suffered damage caused by misfortune or calamity that may qualify the property owner for relief under an ordinance adopted under this section, the assessor shall provide the last known owner of the property with an application for reassessment. The property owner shall file the completed application within 60 days of the date of mailing on notification by the assessor but in no case more than 12 months after the occurrence of said damage. Upon receipt of a properly completed, timely filed application, the property shall be reassessed in the same manner as required in subdivision (b).

(2) This subdivision does not apply where the assessor initiated reassessment as provided in subdivision (a) or (1).

(e) The tax rate fixed for property on the roll on which the property so reassessed appeared at the time of the misfortune or calamity, shall be applied to the amount of the reassessment as determined in accordance with this section and the assessee shall be liable for: (1) a prorated portion of the taxes that would have been due on the property for the current fiscal year had the misfortune or calamity not occurred, to be



determined on the basis of the number of months in the current fiscal year prior to the misfortune or calamity; plus, (2) a proration of the tax due on the property as reassessed in its damaged or destroyed condition, to be determined on the basis of the number of months in the fiscal year after the damage or destruction, including the month in which the damage was incurred. For purposes of applying the preceding calculation in prorating supplemental taxes, the term “fiscal year” means that portion of the tax year used to determine the adjusted amount of taxes due pursuant to subdivision (b) of Section 75.41. If the damage or destruction occurred after January 1 and before the beginning of the next fiscal year, the reassessment shall be utilized to determine the tax liability for the next fiscal year. However, if the property is fully restored during the next fiscal year, taxes due for that year shall be prorated based on the number of months in the year before and after the completion of restoration.

(f) Any tax paid in excess of the total tax due shall be refunded to the taxpayer pursuant to Chapter 5 (commencing with Section 5096) of Part 9, as an erroneously collected tax or by order of the board of supervisors without the necessity of a claim being filed pursuant to Chapter 5.

(g) The assessed value of the property in its damaged condition, as determined pursuant to subdivision (b) compounded annually by the inflation factor specified in subdivision (a) of Section 51, shall be the taxable value of the property until it is restored, repaired, reconstructed or other provisions of the law require the establishment of a new base year value.

If partial reconstruction, restoration, or repair has occurred on any subsequent lien date, the taxable value shall be increased by an amount determined by multiplying the difference between its factored base year value immediately before the calamity and its assessed value in its damaged condition by the percentage of the repair, reconstruction, or restoration completed on that lien date.

(h) (1) When the property is fully repaired, restored, or reconstructed, the assessor shall make an additional assessment or assessments in accordance with subparagraph (A) or (B) upon completion of the repair, restoration, or reconstruction:

(A) If the completion of the repair, restoration, or reconstruction occurs on or after January 1, but on or before May 31, then there shall be two additional assessments. The first additional assessment shall be the difference between the new taxable value as of the date of completion and the taxable value on the current roll. The second additional assessment shall be the difference between the new taxable value as of the date of completion and the taxable value to be enrolled on the roll being prepared.



(B) If the completion of the repair, restoration, or reconstruction occurs on or after June 1, but before the succeeding January 1, then the additional assessment shall be the difference between the new taxable value as of the date of completion and the taxable value on the current roll.

(2) On the lien date following completion of the repair, restoration, or reconstruction, the assessor shall enroll the new taxable value of the property as of that lien date.

(3) For purposes of this subdivision, “new taxable value” shall mean the lesser of the property’s (A) full cash value, or (B) factored base year value or its factored base year value as adjusted pursuant to subdivision (c) of Section 70.

(i) The assessor may apply Chapter 3.5 (commencing with Section 75) of Part 0.5 in implementing this section, to the extent that chapter is consistent with this section.

(j) This section applies to all counties, whether operating under a charter or under the general laws of this state.

(k) Any ordinance in effect pursuant to Section 155.1, 155.13, or 155.14 shall remain in effect according to its terms as if that ordinance was adopted pursuant to this section, subject to the limitations of subdivision (b).

(l) When the assessor does not have the general authority pursuant to subdivision (a) to initiate reassessments, if no application is made and the assessor determines that within the preceding 12 months a property has suffered damage caused by misfortune or calamity, that may qualify the property owner for relief under an ordinance adopted under this section, the assessor may, with the approval of the board of supervisors, reassess the particular property for which approval was granted as provided in subdivision (b) and notify the last known owner of the property of the reassessment.

SEC. 4. Section 205.5 of the Revenue and Taxation Code is amended to read:

205.5. (a) Property that is owned by, and that constitutes the principal place of residence of, a veteran is exempted from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), if the veteran is blind in both eyes, has lost the use of two or more limbs, or if the veteran is totally disabled as a result of injury or disease incurred in military service. The one-hundred-thousand-dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), in the case of an eligible veteran whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).



(b) For purposes of this section, “veteran” means either of the following:

(1) A veteran as specified in subdivision (o) of Section 3 of Article XIII of the Constitution without regard to any limitation contained therein on the value of property owned by the veteran or the veteran’s spouse.

(2) Any person who would qualify as a veteran pursuant to paragraph (1) except that he or she has, as a result of a service-connected injury or disease died while on active duty in military service. The United States Department of Veterans Affairs shall determine whether an injury or disease is service connected.

(c) (1) Property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000), in the case of a veteran who was blind in both eyes, had lost the use of two or more limbs, or was totally disabled provided that either of the following conditions is met:

(A) The deceased veteran during his or her lifetime qualified in all respects for the exemption or would have qualified for the exemption under the laws effective on January 1, 1977, except that the veteran died prior to January 1, 1977.

(B) The veteran died from a disease that was service connected as determined by the United States Department of Veterans Affairs.

The one-hundred-thousand-dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), in the case of an eligible unmarried surviving spouse whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(2) Commencing with the 1994–95 fiscal year, property that is owned by, and that constitutes the principal place of residence of, the unmarried surviving spouse of a veteran as described in paragraph (2) of subdivision (b) is exempt from taxation on that part of the full value of the residence that does not exceed one hundred thousand dollars (\$100,000). The one-hundred-thousand-dollar (\$100,000) exemption shall be one hundred fifty thousand dollars (\$150,000), in the case of an eligible unmarried surviving spouse whose household income does not exceed the amount of forty thousand dollars (\$40,000), as adjusted for the relevant assessment year as provided in subdivision (g).

(d) As used in this section, “property that is owned by a veteran” or “property that is owned by the veteran’s unmarried surviving spouse” includes all of the following:

(1) Property owned by the veteran with the veteran's spouse as a joint tenancy, tenancy in common, or as community property.

(2) Property owned by the veteran or the veteran's spouse as separate property.

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran's spouse, or both the veteran and the veteran's spouse.

(4) Property owned by the veteran's unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran's unmarried surviving spouse.

(5) So much of the property of a corporation as constitutes the principal place of residence of a veteran or a veteran's unmarried surviving spouse when the veteran, or the veteran's spouse, or the veteran's unmarried surviving spouse is a shareholder of the corporation and the rights of shareholding entitle one to the possession of property, legal title to which is owned by the corporation. The exemption provided by this paragraph shall be shown on the local roll and shall reduce the full value of the corporate property. Notwithstanding any provision of law or articles of incorporation or bylaws of a corporation described in this paragraph, any reduction of property taxes paid by the corporation shall reflect an equal reduction in any charges by the corporation to the person who, by reason of qualifying for the exemption, made possible the reduction for the corporation.

(e) For purposes of this section, being blind in both eyes means having a visual acuity of 5/200 or less, or concentric contraction of the visual field to 5 degrees or less; losing the use of a limb means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and being totally disabled means that the United States Department of Veterans Affairs or the military service from which the veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(f) An exemption granted to a claimant in accordance with the provisions of this section shall be in lieu of the veteran's exemption provided by subdivisions (o), (p), (q), and (r) of Section 3 of Article XIII of the Constitution and any other real property tax exemption to which the claimant may be entitled. No other real property tax exemption may be granted to any other person with respect to the same residence for which an exemption has been granted under the provisions of this section; provided, that if two or more veterans qualified pursuant to this section coown a property in which they reside, each is entitled to the exemption to the extent of his or her interest.



(g) Commencing on January 1, 2002, and for each assessment year thereafter, the household income limit shall be compounded annually by an inflation factor that is the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

SEC. 5. Section 830 of the Revenue and Taxation Code is amended to read:

830. (a) If the request of the board is mailed before the lien date as defined in Section 722, the property statement shall be filed with the board by March 1, and shall be in such detail as the board may prescribe.

(b) If the request of the board is mailed on or after the first day of January following the lien date, the property statement shall be filed with the board within 60 days after the request is mailed.

(c) Except as hereinafter provided, if any person fails to file the property statement, in whole or in part, by March 1, or by that later date to which the filing period is extended pursuant to subdivision (b) or Section 830.1, a penalty shall be added to the full value of the assessment of so much of the property as is not timely reported as follows:

(1) For any part of the property statement relating to the development of the unit value of operating property, the penalty shall be 10 percent of the unit value.

(2) For any part of the property statement, not relating to the development of the unit value of operating property, that lists or describes specific operating property, the penalty shall be 10 percent of the allocated value of the property, which penalty shall be added to the unit value.

(3) For any part of the property statement that lists or describes specific nonunitary property, the penalty shall be 10 percent of the value of the property.

(4) If the failure to timely file a property statement is due to a fraudulent or willful attempt to evade the tax, a penalty of 25 percent of the assessed value of the estimated assessment shall be added to the assessment. A willful failure to file a property statement as required by Article 5 (commencing with Section 826) shall be deemed to be a willful attempt to evade the tax.

(5) No penalty added pursuant to paragraph (1), (2), (3), or (4) may exceed twenty million dollars (\$20,000,000) of full value. In addition, if a penalty has been added pursuant to paragraph (1), (2), or (3), if a claim for refund seeking the recovery of that penalty has been filed by the state assessee contesting the penalty within three months of the due date of the second installment, and the state assessee initiates an action



in the superior court within one year of the filing of the claim for refund, the state assessee is not subject to any further penalties on subsequent assessments for failure to comply with any subsequent request seeking information or data with respect to the same issue as set forth in the claim for refund filed within the time limits set forth above, until the assessment year after a final decision of the court, and then only with respect to a failure to comply with a request for information with respect to assessments after a final decision of the court. For purposes of this paragraph, “same issue” means the type of information that is the subject of the disputed request for information.

(d) Any person who subscribes to the board’s tax rate area change service and who receives a change mailed between April 1 and May 1, shall file a corrected statement no later than May 30 with respect to those parts of the property statement that are affected by the change.

If that person receives a change mailed after May 1, a corrected statement shall be filed no later than the 60th day following the mailing of that change.

(e) Penalties incurred for filings received after June 30 may be included with the assessments for the succeeding fiscal year.

(f) If the assessee establishes to the satisfaction of the board that the failure to file the property statement or any of its parts within the time required by this section was due to reasonable cause and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the board shall order the penalty abated, provided the assessee has filed with the board written application for abatement of the penalty within the time prescribed by law for the filing of applications for assessment reductions.

SEC. 6. Section 830.1 of the Revenue and Taxation Code is amended to read:

830.1. Notwithstanding Section 15620 of the Government Code, the board, by order entered upon its minutes and for good cause shown, may extend the time fixed for filing portions of the property statement as follows:

(a) For any part of the property statement relating to the development of the unit value of operating property, an extension not exceeding 45 days may be granted.

(b) For any part of the property statement, not relating to the development of the unit value of operating property, that lists or describes specific operating property, an extension not exceeding 30 days may be granted.

(c) For any part of the property statement that lists or describes specific nonunitary property, an extension not exceeding 30 days may be granted.



(d) If an extension is granted pursuant to subdivision (a), (b), or (c), an additional 15-day extension may be granted upon the showing of extraordinary circumstances which prevent the filing of the statement within the first extension.

SEC. 6.5. Section 833 of the Revenue and Taxation Code is amended to read:

833. (a) Except as provided herein, all information required by the board or furnished in the property statement shall be held secret by the board and by any person or entity acquiring this information pursuant to subdivision (c). Information and records in the board's office which are not required to be kept or prepared by the board are not public documents and are not open to public inspection.

(b) This section shall not apply to maps filed pursuant to Section 326.

(c) Except as provided in Section 38706, the board may provide any assessment data in its possession to the assessor of any county. When requested by resolution of the board of supervisors of any county, or the city council of any city which prepares its own local roll, the board shall permit the auditor or the assessor of the county or city, or any duly authorized deputy or employee of that officer, to examine any and all records of the board.

(d) The board shall disclose information, furnish abstracts or permit access to any and all of its records to or by law enforcement agencies, grand juries, and other duly authorized legislative or administrative officials of the state pursuant to their authorization to examine these records.

(e) The board also may disclose information, records, and appraisal data relating to state assessment of companies engaged in interstate commerce to tax officials of other states having duties corresponding to those described by this chapter. This disclosure shall be limited to instances in which there is a reciprocal exchange of information by the states in which the interstate companies operate, and shall be made only pursuant to a written agreement between the agencies involved. This agreement shall provide that any request for information be in writing, shall specify the information to be exchanged, and shall require that any information furnished be used solely for tax administration purposes and otherwise shall be held secret. This agreement shall also provide that any information furnished be disclosed only to those persons whose duties or responsibilities require access and shall require that necessary safeguards be implemented to protect the confidentiality of the information. The request for information and any written material furnished pursuant to the request shall be open to inspection by the person to whom the information relates at the office of the board in Sacramento.



(f) Upon receiving any request for confidential information from any person or entity described in subdivision (c) or (e), the board shall promptly notify the state assessee to which the request relates of the identity of the person or entity requesting the information and a description of the information sought. Upon sending any information in response to the request, the board shall simultaneously provide to the state assessee to which the request relates notification describing the information so transmitted and the identity of the person or entity to whom the information was transmitted.

SEC. 7. Section 1606 of the Revenue and Taxation Code is amended to read:

1606. (a) (1) Any applicant for a change of an assessment on the local roll or the assessor, in those cases where the assessed value of the property involved, as shown on the current assessment roll, exceeds one hundred thousand dollars (\$100,000) without regard to any exemptions, may initiate an exchange of information with the other party by submitting the following data to the other party and the clerk in writing:

(A) Information stating the basis of the party's opinion of value.

(B) When the opinion of value is to be supported with evidence of comparable sales, information identifying the properties with sufficient certainty such as by assessor parcel number, street address or legal description of the property, the approximate date of sale, the applicable zoning, the price paid, and the terms of the sale, if known.

(C) When the opinion of value is to be supported with evidence based on an income study, information relating to income, expenses and the capitalization method.

(D) When the opinion of value is to be supported with evidence of replacement costs, information relating to date of construction, type of construction, replacement cost of construction, obsolescence, allowance for extraordinary use of machinery and equipment, and depreciation allowances.

(2) To initiate an exchange of information, the initiating party shall submit the data required by paragraph (1) at least 30 days before the commencement of the hearing on the application. For purposes of determining the date upon which the exchange was deemed initiated, the date of postmark as affixed by the United States Postal Service, or the date certified by a bona fide private courier service on the envelope or package containing the information shall control.

(b) (1) Notwithstanding any limitation on assessed value contained in subdivision (a), if the initiating party has submitted the data required by subdivision (a) within the specified time, the other party shall submit to the initiating party and the clerk the following data:

(A) Information stating the basis of the other party's opinion of value.



(B) When the opinion of value is to be supported with evidence of comparable sales, information identifying the properties with sufficient certainty such as by assessor parcel number, street address or legal description of the property, the approximate date of sale, the applicable zoning, the price paid, and the terms of the sale, if known.

(C) When the opinion of value is to be supported with evidence based on an income study, information relating to income, expenses and the capitalization method.

(D) When the opinion of value is to be supported with evidence of replacement cost, information relating to date of construction, type of construction, replacement cost of construction, obsolescence, allowance for extraordinary use of machinery and equipment, and depreciation allowance.

(2) The other party shall submit the data required by this subdivision at least 15 days prior to the hearing. For purposes of determining the date upon which the other party responded to the exchange, the date of postmark as affixed by the United States Postal Service, or the date certified by a bona fide private courier service on the envelope or package containing the information shall control.

(c) (1) The person assigning a hearing date shall provide adequate notice to the parties of the date, so that the exchange of information permitted by this section can be made without requiring a continuance of the hearing.

(2) The initiating party and the other party shall use adequate methods of submission to ensure to the best of their ability that the exchange of information process is completed at least 10 days prior to the hearing.

(d) Whenever information has been exchanged pursuant to this section the parties may not introduce evidence on matters not so exchanged unless the other party consents to the introduction. However, at the hearing, each party may introduce new material relating to the information received from the other party. If a party introduces new material at the hearing, the other party, upon his or her request, shall be granted a continuance for a reasonable period of time.

(e) Nothing in this section may be construed as an intent of the Legislature to change, alter or modify generally acceptable methods of using the sales approach, income approach, or replacement cost approach to determine full cash value.

SEC. 8. Section 5814 of the Revenue and Taxation Code is amended to read:

5814. (a) For purposes of this part, “change in ownership” and “purchase” shall have the same meanings as provided in Sections 60 to 68, inclusive, to the extent applicable. The operative dates of those



sections shall be controlling in the determination of whether a change in ownership or purchase of a manufactured home has occurred.

(b) As used in Sections 60 to 68, inclusive, the term “real property” includes a manufactured home that is subject to tax under this part.

SEC. 8.5. Section 11273 of the Revenue and Taxation Code is amended to read:

11273. If any person required to file a report fails to file it on or before April 30 or such time as extended by the board, a penalty of 10 percent of the assessed value shall be added to the assessment.

If the assessee establishes to the satisfaction of the board that the failure to file the property statement timely was due to a reasonable cause and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the board shall order the penalty abated, provided the assessee has filed with the board written application for abatement of the penalty within the time prescribed by law for filing a petition for reassessment.

SEC. 9. Section 11338 of the Revenue and Taxation Code is amended to read:

11338. (a) The owner or assessee may file a petition for reassessment on or before September 20. If the petition is not filed on or before September 20, or, if the period is extended by the board, by October 5, the assessment of the board shall be final.

(b) The board may extend the period for filing a petition until October 5 provided a written request for the extension is filed with the board on or before September 20.

(c) The board shall hear the applicant on such petition on or before January 31.

SEC. 10. Section 11339 of the Revenue and Taxation Code is amended to read:

11339. (a) Any assessment made outside of the regular assessment period may be the subject of a petition for reassessment. A petition for reassessment may be filed on or before the 50th day following the date of the notice of assessment.

(b) The board may extend the deadline for filing a petition for a period not to exceed 15 days, provided a written request for the extension is filed with the board on or before the expiration of the period for which the extension may be granted.

(c) If a petition for reassessment is not timely filed, the assessment of the board shall be final. The board may consider a petition which is not timely filed to be a claim for refund.

(d) The board shall hear the applicant on the petition within 90 days of the date on which the petition was filed.



SEC. 11. The Legislature finds and declares that the amendments made by this act to Sections 830 and 830.1 of the Revenue and Taxation Code are declaratory of existing law.

SEC. 12. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

